GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:229
ANSWERED ON:07.08.2001
RECOMMENDATIONS OF E.R.C ON PRICING POLICY OF FERTILIZERS
SULTAN SALAHUDDIN OWAISI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether his Ministry has since examined the recommendations of the Expenditure Reforms Commission (ERC) on pricing policy of fertilizers;

(b) if so, the details and the reaction of the Govt. thereto;

(c) whether the concerned Ministries, State Governments and fertilizer industry have been consulted in this regard;

(d) if so, the details thereof and the main views expressed by the State Governments in regard to new pricing policy; and

(e) the time by which the new pricing policy is likely to be announced?

Answer

MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA)

(a) to (e): A statement is laid on the table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No.229 to be answered on 7-08-2001.

(a) to (e): The Expenditure Reforms Commission (ERC) hassubmitted a report entitled 'Rationalising Fertilizer Subsidies' to the Government in September, 2000. The Ministry of Chemicals and Fertilizers has obtained the views ofconcerned Ministries, Fertilizer industry and State Governments on the recommendations of ERC.State Governments have expressed their views against some of the recommendations of ERC, particularly pertaining to 7% annual increase in farm gate price of urea, replacement of existing Retention Price-cum-Subsidy Scheme by a Group based concession scheme based onaveraging of retention prices and dual price scheme.

Government is examining the recommendations of ERC with a view to formulate a new pricing policy for urea units, which will consider all relevant factors.